

## GOVERNOR'S FINANCIAL TEAM SHARES FY 2020 BUDGET

**Date :** September 10, 2019

St. Thomas- Members of the Committee on Finance, chaired by Sen. Kurt Vialet, convened in a meeting at the Capitol Building on Tuesday, to receive testimony on the proposed FY 2020 Executive Budget for the Governor's Financial Team.

The Office of Management and Budget Director Jenifer O'Neal stated that the governor's recommended budget for FY 2020 totals \$1,323,278,675. This comprises of \$216,313,915 for Federal Funds, \$98,841,083 for other Appropriated Funds, and \$848,438,835 for the General Fund.

The overall budget of \$1.32 billion is representative of the expenditures of the Department excluding cash transfers, contingencies, and unappropriated balances; according to O'Neal.

"The FY 2020 Executive Budget continues to reflect a balanced approach to spending, cautious optimism, and continued fiscal responsibility. The budget also maintains the long-term fiscal position by fully funding General Fund obligations and providing for a budget rainy day stabilization reserve," said O'Neal who defended the proposed budget. She also mentioned that the expenditure projection for the General Fund increased by \$30.5 million from the initial \$817.9 million to \$848.4 million for the upcoming fiscal year.

Furthermore, O'Neal mentioned that the Division of Personnel, the Bureau of Internal Revenue and OMB are some of the departments impacted by the General Fund increase. Firstly, the FY 2020 budget for the Division of Personnel totals \$10,838,027. The breakdown is as follows: \$10,510,219 for Health Insurance Contractual Costs, \$237,207 for personnel services, and \$90,601 for fringe benefits. Secondly, the FY 2020 recommendation for the Bureau of Internal Revenue totals \$706,778. The budget comprises of \$68,368 for personnel

services, \$45,410 for fringe benefits and \$593,000 for other services and charges. Thirdly, the FY 2020 budget for OMB totals \$3,236,500. The budget is inclusive of \$150,000 for capital outlay, \$3,000,000 for prior year obligations, \$40,000 for supplies, \$15,000 for utilities, and \$31,500 for other services and charges.

Some of the additional departments with proposed expenditure increases with recommendations for FY 2020 includes \$1,723,876 for the Department of Justice, \$366,419 for VITEMA, \$700,000 for the Virgin Islands Fire Department, \$100,000 for the Office of the Adjutant General, \$32,583 for the Bureau Motor Vehicles, and \$1,375 for the Department of Finance; according to O'Neal.

Regarding the Public Finance Authority (PFA), O'Neal noted that there is an increase of \$1.5 million from the Internal Revenue Matching Fund with a total of \$5,000,000 for operating expenses. She also expounded on the required increase of funds. "PFA needs the additional funding to effectively support the Administrations pro-economic development agenda and assisting in developing programs such as the Qualified Opportunity Zones Programs, GERS pension funding, and the restructuring of the Water and Power Authority."

In addition to rebuilding the Territory post-Hurricanes Irma and Maria, key priorities for the Governor's Financial Team includes stabilizing the Government of the Virgin Islands by providing required funds to Departments and agencies to fulfill mandates and to have a zero balance for all outstanding bills, fines, and judgments. Paying off the outstanding debt to vendors and businesses has precedence as well; according to O'Neal.